

Inside TVA



Carpenter Foreman Aaron Bezy (at top) and Carpenter Johnny Prater of Bowen Engineering align snap ties in formwork for the absorber elevator pit at Bull Run Fossil Plant. ADVATECH subcontractor Bowen is currently installing foundations for the Flue Gas Desulfurization Project at the plant.

New safety alliance unifies TVA and contractor employees toward zero-accident performance.

There's renewed emphasis on the safety of contractor employees working at TVA facilities. And thanks to the Tri-Lateral Safety Alliance, everyone working at TVA facilities will see the new commitment toward preventing injuries and having an accident-free workplace.

Following several accidents at TVA facilities, discussions about how to prevent industrial accidents and injuries led Karl Singer, chief nuclear officer & executive vice president; Dick Ward, vice president and safety director for the Tennessee Valley Trades & Labor Council (TVTLC); and David Beckler, senior vice president of Labor Relations, to push for a joint safety effort.

"The discussion was expanded to include representatives of all TVA business units, the TVTLC and TVA's modifications and construction contract partners," says Beckler. "The result was the formation of the Tri-Lateral Safety Alliance.

"Then 'speak with one voice on safety' became the theme

when everyone at the table realized it would take a unified message to achieve a zero accident performance."

Ward, named the first chairman of the Tri-Lateral Safety Alliance, says it all begins with safety.

"We want each individual to take ownership for his or her safety and to be 'our brother's keeper.' We believe that safety is a personal value and that all employees must be committed to their own safety and the safety of their co-workers. In achieving this, we not only protect one another, we also protect our families by assuring each individual returns home safely."

The ultimate goal of the alliance is to help create a work environment in which all employees take ownership of safety without fear of retribution, where risk behaviors are eliminated, and where zero accidents are achieved.

Singer says developing a strong safety attitude goes beyond
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TVA services provide a perfect match for MLGW

Electricity, natural gas and water are the best-known services Memphis Light, Gas & Water offers to more than 415,000 customers. But it may come as a surprise that TVA's largest distributor customer also serves as the billing agent for other city services. TVA's technical experts are always ready to assist MLGW in delivering a broad range of services to its customers.

Memphis Light, Gas & Water and TVA are natural partners with one goal — providing quality services to MLGW's large and small, commercial and industrial customers.

"We are the customers' one-stop shop for light, gas and water, as well as the contact for billing issues for all city services," says Becky Delich, MLGW supervisor of Commercial & Lighting Services. "We

have to be knowledgeable on all aspects of these services and be able to offer assistance on any issues they may have."

That's where TVA's technical services come in.

Delich says with such broad responsibility, her area looks to TVA to provide assistance in technical areas where its staff has expertise.

"We have many occasions to provide

energy audits, and we get requests for infrared scanning for insurance purposes," says Delich, whose staff serves all but the largest of MLGW's commercial and industrial accounts. "TVA is a great help in these areas.

"The challenge for TVA is to address our customers' needs without zeroing in

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what's new **in employee news**

Retirement Services Web site tailored just for 'you'

Now accessible from home as well as from work

The TVA Retirement Services Web site has been revised to assist employees on their "Road to Retirement." Information has been arranged according to an employee's stage in the retirement-planning process. The categories include "New Employee," "Mid-Career" and "Ready to Retire." The site also includes a category for those already enjoying retirement. It's designed to help them keep in touch with Retirement Services and assist them in updating documents when necessary.

Employees and retirees can access this site from home at www.tvvars.com. Features that previously were accessible only via TVA's internal Web site at work now are available from any location.

Inside TVA

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Line of sight keeps the focus on performance

At the end of March, five of the eight performance measures on the TVA Balanced Scorecard were projected to be on target or better by the end of the fiscal year.

However, April's scorecard shows four of the measures projected as on target. The Asset Availability measure is now forecast as worse than target. Still, though, recovery is possible.

What happened with Asset Availability?

A higher-than-expected number of forced outages and forced derates turned the Asset Availability arrow sideways in December. Although the arrow returned to "forecast or better than target" in January, the availability of the combustion turbines and Raccoon Mountain Pumped-Storage Plant temporarily offset the unavailability of some fossil and nuclear units. The question remained whether the units could avoid further unplanned events.

Progress was sustained for the measure in February and March, with greater-than-planned availability of combustion turbines and Raccoon Mountain. By April, a number of forced outages and less than ideal weather conditions again impacted the Asset Availability forecast.

"More efficiently executed outages, whether planned or unplanned, will increase the availability of our assets," says Anda Ray, vice president, Enterprise Performance & Analysis, and one of the sponsors of this measure. "Plant and support employees have the knowledge and experience to make this happen safely."

Winning Performance

TVA Balanced Scorecard for April 2006

	Weight	Status	Actual YTD	Plan YTD	Year-End Forecast	Target	G O A L S	Mid	Stretch
Financial									
• Net Cash Flow (\$ millions)	20%	TBD	142	309	TBD	394		456	548
• Financial Strength/Reduction in Total Financing Obligations* (\$ millions)	15%	▲	136	391	340	340		420	500
• Productivity (kWhs Delivered/Total Labor Cost)	10%	➡	83.3	93.6	85.9	93.0		94.8	96.7
Customer									
• Customer Impact (CPI+CSS)**(%)	10%	▲	111.6	100	100	100		101.7	108.1
• Economic Development (index)	10%	▲	132	100	110	100		110	120
Operations									
• Asset Availability (GWh Available/GWh Planned)	15%	➡	100	100	99	100		101	102
• Environmental Impact *** (index)	10%	▲	62	67	66	66		60	55
People									
• Safe Workplace**** (Recordable injuries/hours worked)	10%	▼	1.31	1.82	1.82	1.82		1.64	1.55

* To maintain continuity, the original performance measure name of Financial Strength is referenced with the new name, Reduction in Total Financing Obligations (TFO).

** CPI=Connection Point Interruptions and CSS=Customer Satisfaction Survey. Actuals reported quarterly.

*** Actuals are reported quarterly.

**** Includes TVA and staff-augmented employees; hearing events are excluded. Any TVA employee or staff-augment-

Status:

▲ = Forecast at or better than Target

➡ = Forecast worse than Target, but recovery is possible

▼ = Forecast worse than Target, and recovery is unlikely

ed contractor fatality or permanent total disability will prevent payout for this indicator at the TVA level as well as the affected SBU/BU.

This scorecard has been posted on the Winning Performance section of TVA's internal Web site.

She noted that it is still important for every employee to know that our individual jobs, performed well every day, are the main drivers for reaching the goals on the TVA, SBU and BU scorecards. — *CAROLYN MINTER*

Minimizing exposure to risks

Most risks that affect TVA can't be completely eliminated, but information and oversight will give TVA the edge in managing its risks wisely.

How will TVA generate affordable electricity if coal prices continue to rise? What will happen if additional distributor customers end their power-supply contracts? How will TVA cope with rising interest rates?

Managing risk at TVA is a team effort. The Risk Management & Economic Analysis group works with the organizations that "own" the risks and the Enterprise Risk Council, or ERC, to help manage these risks.

"Risks are inherent to any business," says Chris Mitchell, vice president of Risk Management & Economic Analysis and TVA's chief risk officer. "Rather than view risks independently, we work to create a comprehensive view of risks that are facing TVA."

The ERC, created in 2005, helps balance what's an acceptable level of risk and how TVA can minimize its exposure to risks. Apart from the TVA Board, the council represents the highest level of risk oversight at TVA.

The council is comprised of Tom Kilgore, president & acting chief executive officer; Mike Rescoe, chief financial officer & executive vice president; Maureen Dunn, general

counsel & executive vice president; Mitchell; and an advisory representative from the Office of the Inspector General. In addition, supporting executive committees are in place to look at financial, operational and strategic risks.

"We have identified many risks that affect TVA in our work with the ERC and its supporting executive committees, but we want to make sure we have a complete list," says Mitchell.

"That's why we need employees' help. Employees are on the frontlines and are often the first to be aware of risks that are before us. We thus want to know what risks employees see in their areas."

A risk-input form has been created for employees to use in identifying risks. A link to the form was in the May 31 *TVA Today* and is on TVA's internal Web site.



TVA Chief Risk Officer Chris Mitchell

Anyone with questions or wanting additional information can call or e-mail Veenita Bisaria (632-3939, vbisaria@tva.gov), senior manager in Risk Management & Economic Analysis. — *NANCY CANN*

Procurement making cultural health even better

The Procurement organization has taken the Cultural Health Index to heart. After studying its CHI results, Procurement is using “Individual engagement — organizational excellence” as its slogan for improving cultural health.

Procurement is stepping up its efforts in improving its cultural health. After reviewing its Cultural Health Index results, the group is addressing the issues raised in the survey.

Procurement has identified the following focus areas:

- Employee recognition/appreciation
- Empowerment
- Effective use of employees

“As we continue to work on issues of TVA-wide concern, including strategic direction & leadership, communication, compensation and recognition, we also are working on the areas specific to Procurement,” says Senior Vice President Paul LaPointe.

“I am committed to listening, learning and taking actions employees believe will improve our work environment and moving our organization from good to great. However, only with employee engagement can we achieve the organizational excellence we all strive for.”

A Procurement cross-functional, volunteer, employee team first met early in fiscal year 2006 to get an understanding of the issues addressed in the CHI and to pinpoint the areas that were addressed favorably and those addressed unfavorably. The team developed a list of the “highlights” and “hard spots” in the organization.

“Just as it is our goal to improve the ‘hard spots,’ we also are committed to enhancing the ‘highlights,’” LaPointe says. “Procurement em-



ployees as a whole believe Winning Performance is a way of life, know what is expected of them and use their top skills in their work.”

Next, the team identified the focus areas expressed in the CHI results and worked with the Procurement leadership team to develop an action plan.

Activities are ongoing to address these plans. In addition, Procurement has set up a CHI Web site so employees can check the progress and become part of the solution.

“The January survey was conducted before we had implemented many of the actions,” says LaPointe. “We believe we will see our results improve in the future.”

Amanda Smith, a Procurement agent in Chattanooga, serves on the CHI team with David Carver, Watts Bar; Jack Cain, Chattanooga; Laura Dutton, Muscle Shoals; John Griffith, Knoxville; Jamie Keith, Knoxville; Dion McCreary, Sequoyah; Brian Pack, Widows Creek; Josh Phillips, Chattanooga; and Beth Sirene, Knoxville.

“We have been challenged to find ways to make an excellent organization even better,” says Smith. “Procurement had really good CHI scores overall, but there is always room for improvement. I look forward to seeing some of the changes take place to make Procurement an even better place to work.”

— PAULETTE MULLINS

April's CHI survey has nearly 79-percent response rate

The response rate for the Cultural Health Index survey conducted in April was 78.8 percent. Almost 4,100 employees received the survey, and 3,222 responded.

The response rate was an improvement over the 72.2-percent response rate to the January CHI survey — and just short of the 80.1-percent rate to the survey conducted last July.

“We see solid evidence to indicate things are improving with respect to culture,” says Mike Purcell, senior manager of Employee Technical Training & Organizational Effectiveness.

Employees included a total of 2,924 written comments along with their responses. The April survey results and comments are in the hands of the leaders of TVA's Strategic Business Units who will discuss the results for their organizations soon.

Survey items showing the largest gains

- I can count on my SBU leader and his/her direct reports to follow through and do what they say they will do. **Up 9.0 percent**
- I have seen positive changes in my BU/Plant as a result of the last CHI survey. **Up 8.3 percent**
- My SBU leader and his/her direct reports provide clear direction. **Up 7.8 percent**

Items showing the biggest declines

- My supervisor takes the time often enough to talk to me about my progress on the job. **Down 1.7 percent**
- I can trust what I hear from my workgroup. **Down 1.6 percent**
- My organization's current fiscal year performance plans have been reviewed with our workgroup. **Down 1.4 percent**

The April CHI survey, like the one in January, was distributed to about a third of the workforce. The rest will have an opportunity to participate in the final survey to be conducted in July.

TVA scholarship recipients selected

The competition is always tough. From a pool of 204 applicants, 12 high school seniors were selected for TVA Employee Dependent Scholarships.

The scholarships are worth up to \$5,000 per year for up to five years. Scholarship America, a national nonprofit educational-support and student-aid services organization, chose the winners based on high school grade-point average, standardized test scores, leadership activities and a school/work applicant appraisal.

The following are the 2006 scholarship winners:

Laura Gronek, daughter of Michael Gronek; Chad Harris, son of Bryan Harris; Heather Johnson, daughter of Michael Johnson; Aaron Leverette, son of Ken Leverette; Melissa McKenzie, daughter of Stephen McKenzie; Sarah Miller, daughter of Roger Miller; Brooks Morelock, son of Chris Morelock; Steven Nalley, son of Timothy Nalley; Jessica Phillips, daughter of Marvin Phillips; Lindsay Russell, daughter of Robert Russell; Adrian Sanchez, son of Mark McCreedy; and Phillip Skahan, son of Kevin Skahan.

Additional information and pictures are in the online edition of *Inside TVA*.

ACROSS TVA

TVAN innovations earn two Top Industry Awards

The Nuclear Energy Institute has selected TVA Nuclear to receive two Top Industry Practice awards: One for innovation in the areas of generic design change, and the other for recycling surplus, highly enriched uranium. The awards raise TVAN's TIP awards total to nine. Bob Johnson, an engineering support manager at Watts Bar Nuclear Plant, developed the Generic Substitution Change Process that has saved TVAN more than \$14 million by using pre-approved, generic design substitutions. *More on this story online.*

Shawnee ‘superheroes’ break TVA record

Shawnee Fossil Plant Unit 6 surpassed 820 days of non-stop operation May 17, breaking the previous TVA generating-unit record set by Widows Creek Fossil Plant Unit 3 in 2005. “We reached this truly outstanding milestone as a result of the knowledge, pride and passion of every individual working at Shawnee, along with the help of the support organizations that also are part of the Shawnee team,” says Shawnee Plant Manager Jeff Parsley. “Everyone involved can take pride and ownership of this amazing achievement.” *More on this story online.*

Fossil Fuel Porkers cook up a storm

The Fossil Fuel Porkers Cooking Team held a cookout April 29 for about 200 Habitat for Humanity workers in North Memphis. Enough food was left over to feed the first- and second-shift North



Getting a head start

TVA Customer Service Manager Rick Misso (left) and West Point, Miss., Mayor Scott Ross watch as students at Catherine Bryant Preschool work with donated surplus computers. TVA partnered with the West Point Electric Department in making 20 computers available to East Side Elementary School and the preschool.

Precinct Memphis Police Department. To raise funds for the cookout, the team sold barbeque butts the week before to Allen employees. The fundraiser netted enough to present Habitat for Humanity with a check for \$500. In addition to team captain Gene Slater, who works at the Allen Combustion Turbine site, other team members from the combustion-turbine site are Ray Carter and Ronnie Gordon. Members from Allen Fossil Plant are employees Dennis Anderson, Willie Burton, Frank Dominioni, Stuart Farmer and Tonio McCalister; Customer Service & Marketing's Tedd Battles; and Allen retiree Stan Craig. The team also recently conducted a cookout for graduating seniors at Allen's Partners In Education school, Oak Haven High School in Memphis.

MLGW

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vide unbiased studies customers can use to make intelligent decisions. TVA is very good at remaining neutral.”

For Laura Campbell, MLGW assistant manager of Energy Resources, TVA plays a role in helping her staff serve their customers — MLGW’s 100 largest accounts.

“We serve a select set of very large customers, so our representatives must be subject-matter experts to the industries they support,” Campbell says. “When it comes to optimizing customers’ operational performance, we look to TVA services to augment our staff. We’ve found this is a way to deliver the best service to our customers.”

Delich’s and Campbell’s organizations are part of MLGW’s Economic Development Department, headed by Bill Bullock. At first glance, it might seem unusual to have energy services staff in an area traditionally focused on recruiting new industry. Bullock says it is really a natural fit for MLGW.

“Being the liaisons with our existing customers is key to our success in economic development,” Bullock says. “Much of our growth in new jobs and power sales comes from businesses and industries that are already in the Memphis area.”

He says part of his department’s goal is to make rates for residential customers as low as possible. One way to do that is to help industrial customers be as efficient as possible so they remain economically viable.

“The more efficient our businesses and industries become, the more likely they are to expand,” Bullock says. “That not only increases their earnings and creates more good jobs in the Memphis area, it also increases our sales. Those sales in turn help us recover our fixed costs over more units, and that helps keep rates lower for all customers.”

on electric-only solutions. MLGW is a dual-fuel utility, and we want to pro-



Going over business information are (from left) John Harris, MLGW Commercial Marketing representative; Becky Delich, MLGW supervisor of Commercial & Lighting Services; Roosevelt Watson, MLGW Industrial Marketing representative; Crystal Love and Mike Vernon, MLGW Commercial Marketing representatives; and Aulton Greene, TVA Power Use engineer.

Bullock says his department has a wide set of tools to use in assisting customers, and he values the expertise TVA can offer when needed.

“TVA has experts in highly specialized areas who are scattered across the Tennessee Valley,” he says. “They have been a very good resource for us when we need them.”

—FRANK RAPLEY

Safety

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safety training. It takes a personal commitment.

“All workers must 1) own their own safety and 2) intervene if they see something unsafe,” he says. “This is one way we look out for each other and maintain our safety focus.”

The alliance will focus on improving communications and training, identifying industry best practices and facilitating implementation of safety rules and procedures.

“Workers will see the alliance partners conducting joint safety and health walk downs,” says Joe Bynum, executive vice president of the Fossil Power Group. “Workers will be involved in discussions about safety and the current conditions and practices at individual TVA locations. The alliance’s commitment to be visible, speak clearly and listen to employees is focused on individual safety and accountability.”

The alliance has developed a charter and subcommittees that will focus on ways to improve safety.

“The organizations represented by the Alliance probably have not been consistent in the past in how we deal with contractor safety. But, we all have the same interest in safety,” says David Hall, vice president of Electric System Projects in Power System Operations. “It has been great to see TVA, our contract partners and the unions so committed to improving safety through this Alliance. We are going to make a difference!”

Safe. Accident-free. It all begins with an attitude of safety.

Although the Tri-Lateral Safety Alliance was formed only recently, meeting for the first time in February, it organized quickly and has gone right to work. The committees are already generating new ideas and developing initiatives to reduce accidents and injuries.

The five subcommittees and chairpersons include the following:

Communications, David Hall, vice president of Electric System Projects; Training, Tony Hopson, manager, Facilities Asset Preservation; Ownership, Larry Bryant, vice president of Nuclear Engineering; Rules and Procedures, Jim Springfield, international representative, International Brotherhood of Electrical Workers; and Special Initiatives, Ken McVay, senior manager of Safety.

Other members of the Tri-Lateral Safety Alliance include: Curt Lefferts, Stone & Webster; Gary Mauldin, River System Operations & Environment; Bill Sepples, G•UB•MK; ; Steve Stutts, Tennessee Valley Trades &

Labor Council—Operating Engineers; Bob Summers, Fossil Power Group; Darrell Widner, LE Myers; Bob Leonard, Bechtel and Tommy Lucas, TVA Corporate Safety.

Goals

1. Create an environment where employees openly communicate safety and health concerns.
2. Create a safe environment where questioning job safety is done without fear of retaliation or concern for loss of job.
3. Speak with one voice.
4. Set standards and hold employees accountable.
5. Encourage individual ownership of safety

What We Believe

6. We are committed to developing and maintaining a safe workplace and workforce on TVA worksites
7. We believe that safety is a personal value and that everyone must be committed to their own safety and the safety of their co-workers
8. We believe all accidents are preventable and ZERO accidents is an achievable goal
9. We believe that TVA can have an environment where unsafe work conditions and behaviors are eliminated
10. We believe that working safely is an integral part of every activity

What We Expect

1. All work will be planned with health and safety of workers as primary consideration
2. Unsafe conditions and behaviors are reported and corrected
3. Reporting unsafe conditions is welcome and retaliation for reporting is not tolerated
4. Every employee on a TVA worksite is authorized and expected to stop work on a task until an unsafe condition is corrected
5. Understanding and following safety rules is a condition of employment
6. Health and safety processes and procedures will be followed
7. Training to health and safety principles and practices will be provided
8. Our health and safety performance will be audited to ensure we are complying with requirements
9. Everyone must be involved because we intend to constantly improve safety performance

people, plaudits and promotions

The YWCA Knoxville has named **Lynn Talley**, manager of Analysis for Equal Opportunity Compliance in Administrative Services, as its volunteer of the year. Talley has been a board member since 2001. She has chaired the Phyllis Wheatley Center committee for seven years and has served on the Race



Lynn Talley

Against Racism and the Tribute to Women committees. She also has served on the Boys & Girls Club Advisory board and the Volunteer Ministry Center board. In presenting the award to Talley, Jennifer Holder, vice president of Marketing Manager for First Tennessee Bank said, “She is a quiet leader who listens well and hears all sides of an issue before forming an opinion and stating it. When she speaks, everyone listens because she has proven herself to be a thoughtful and wise leader.”

Jerome Terrell, former director of economic development for the Nashville Chamber of Commerce, has joined the Economic Development staff as regional development specialist for the Middle Tennessee region. Terrell will work with distributors of TVA power, community



Jerome Terrell

leaders, and state and regional economic development partners to create, sustain and foster job growth. His responsibilities include assisting prospective or expanding industries, providing financial and technical services and helping communities support and grow existing industries. TVA’s Middle Tennessee region includes Cheatham, Davidson, Dickson, Montgomery, Robertson, Rutherford, Sumner, Williamson and Wilson counties. Terrell is a Nashville native and has a business degree from the University of Tennessee.

Jeremy Thompson and **Jonathan Vincent** of Fossil Power Group’s Engineering Design Services Mechanical Group have successfully completed the requirements of the COO Engineering Graduate Progression Program and have achieved the senior engineer level at TVA as a Mechanical Engineer. The program is designed to ensure that senior engineers demonstrate broad knowledge in the discipline-specific area and a good knowledge of practices in related disciplines. Thompson and Vincent, stationed in Chattanooga, are responsible for the senior engineering duties for Mechanical lead or supported projects at all fossil plants.